



The Court Report

3rd Police District May/June 2006

Building Safer Neighborhoods Through Community Partnership

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Summary of Recent Court Cases

A former Metro Transit Officer, Darren M. Way, was found guilty of sexually abusing a prostitute while on duty in 2005.

David Graham, Jr., was found guilty of first-degree premeditated murder while armed for the slaying of Kamau Chike Walker in December 2001 following an earlier argument between the two.

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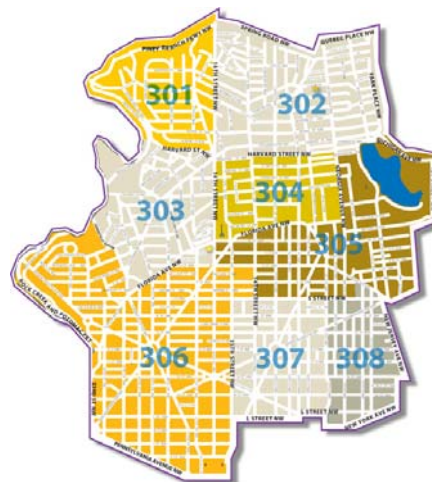
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Carlo Castellanos-Feria was sentenced to a total of 38 months in prison for stalking a District woman.

The 3rd Police District



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3rd District Community Prosecution Update

It is true there are no "victimless" crimes and a number of community groups/business owners are taking that to heart. They are writing and submitting **Community Impact Statements** to be used in court at the time of sentencing a defendant. Such statements are used when a defendant is a chronic offender or contributes seriously to the detriment of the community. Groups use a format provided by the U.S. Attorney's Office to state how that defendant's criminal behaviors have damaging effects on residents and the neighborhood. The Court can then understand and consider the defendant's impact upon that community. Businesses, condo associations and property managers are able to submit letters as well. These statements have had an effect on how minor offenders are sentenced, often the perpetrators of chronic quality of life crimes. In a recent sentencing, a chronic offender was sentenced on two non-violent offences to a confinement totaling 220 days. To learn more about how to effectively use a Community Impact Statement call your Community Prosecutor.

The COURT REPORT

On May 9, 2006, a former Metro Transit Officer, Darren M. Way, was found guilty of sexually abusing a prostitute while on duty in 2005. (Case # 2005FEL004568; PSA 306)

Way, 32, of Gaithersburg, MD, was convicted in D.C. Superior Court of four counts of Second Degree Sexual Abuse. At the time of the incident, Way had been a Metro Transit Police Officer for about three years. His employment was terminated on August 5, 2005. Sentencing before the Honorable Judge Erik Christian is scheduled for July 14, 2006. Under the voluntary sentencing guidelines, Way faces three to seven years of incarceration. He must also register for ten years as a convicted sex offender.

According to the government's evidence, on June 26, 2005, Way called the victim, a 19-year-old escort/prostitute who was staying at the Gallery Inn at 1850 Florida Avenue, NW, and made an appointment to see her. Way, who was on duty, arrived at approximately 1:30 a.m. the next morning in full uniform and told the victim that he wanted to go up to her room. Despite the victim's repeated refusals, the defendant insisted and the victim, afraid that she would be arrested, finally relented. Once in the room, the defendant performed various sex acts on the victim against her will. Immediately after the assault, the defendant told the victim, "Welcome to D.C.," and told her that an officer in uniform cannot pay a prostitute because doing so would be a crime. Before the defendant left, the victim gained control of the defendant's Metro Transit keys, including a master key to all of the region's Metro Stations. She later turned the keys over to law enforcement authorities in Huntington Beach, California, when she was arrested during a prostitution sting operation.

On May 10, 2006, a 26-year-old Southeast District of Columbia man, David Graham, Jr., was found guilty of first-degree premeditated murder while armed for the slaying of Kamau Chike Walker in December 2001 following an earlier argument between the two. (Case # 2003FEL005576; PSA 304)

A D.C. Superior Court jury returned the guilty verdict against Graham after a one-week long trial. Graham is scheduled to be sentenced by the Honorable Hiram Puig-Lugo on July 21, 2006. The statutory maximum for first-degree premeditated murder while armed is 60 years in prison, with a mandatory minimum of 30 years in prison.

The government's evidence at trial showed that on December 11, 2001, Kamau Walker was living with his father in the 2600 block of 15th Street, NW, located near the intersection of 15th and Fuller Streets, NW. During the day, Mr. Walker (who had been drinking) and Graham had a series of altercations, culminating in Mr. Walker pulling out a gun and waving it at Graham in front of people from the neighborhood. Subsequently, Mr. Walker returned to his house and went to sleep. He awoke just after midnight on December 12, 2001, and went downstairs to find that two of his friends had come over to play video games and hang out with him. A short time later, Graham came to the back door of the Walker residence and entered the house. After a brief discussion between Graham and Mr. Walker, Graham pulled out a semi-automatic pistol and shot Mr. Walker six times, including a fatal shot that penetrated Mr. Walker's brain. Graham fled the Walker residence and Kamau Walker died within minutes.

On May 18, 2006, a Southeast District man, Anthony S. Chandler, has pled guilty to robbing and pistol-whipping a citizen in Northwest Washington, D.C., in March of this year. (Case # 2006CF3005819; PSA 306)

Chandler, 44, of the 4300 block of 3rd Street, SE, Washington, D.C., pled guilty in D.C. Superior Court to the charges of robbery while armed and assault with a dangerous weapon before the Honorable Hiram E. Puig-Lugo. The defendant faces a total 40 years of incarceration. Sentencing has been scheduled for July 19, 2006.

According to the government's factual proffer, on March 25, 2006, at approximately 1:20 a.m., near 2208 Kalorama Road, NW, Washington, D.C. (PSA 306), the defendant approached the complainant and pointed a gun at him, demanding his property. After telling the complainant he was taking too long and asking if he valued his life, the defendant pistol-whipped the defendant's face three times before emptying the complainant's pockets. The defendant then fled with a couple of dollar bills with red markings on them and the complainant's cell phone.

Meanwhile, a Special Agent with the Army Protective Service Unit who was on duty with his partner noticed two males who appeared to be involved in some sort of "altercation" in front of 2208 Kalorama; his view at that point was partially blocked. The agent approached and learned about the robbery, saw the defendant running towards Connecticut Avenue, and gave chase. As the agent approached an intersection, his radio made a chirping noise, prompting the defendant to turn around, pull out and point his gun at the agent, yelling, "Get the f*** back, get the f*** back!" The agent drew his weapon and told the defendant he was a police officer, but the defendant turned and ran away as the agent lost sight of him. The agent was able to broadcast a description of the defendant.

A Uniformed Division United States Secret Service Officer was operating a transport wagon nearby when he received the lookout description of the defendant. As the officer approached the intersection of Florida Avenue and T Street, NW, about ten minutes after and three blocks away from the robbery, the officer observed the defendant, who matched the lookout description, except that he was carrying rather than wearing a black leather jacket. The defendant appeared to be watching the officer, who was making a U-turn to initiate contact, and actually approached and asked the officer for directions to the nearest Metro station. When asked where he was coming from, the defendant stated that his brother had just dropped him off, that he had been smoking marijuana and that he had on a home detention ankle bracelet and was trying to get home. The defendant was on parole at the time for robbery and murder. The officer got out of his car and told the defendant to turn around so that he could pat him down for safety, and at that point the defendant said that he had a toy gun in his possession. The defendant's jacket and a black hand gun fell to the ground.

Show-ups were conducted at about 2 a.m., and the complainant and the agent positively identified the defendant. The defendant was also caught with a dollar bill with red markings on it, as well as the complainant's cell phone. The gun proved to be a real .22 caliber semi-automatic pistol, although it was missing a hammer and was not loaded.

After being arrested, the defendant was driven to the police station. After waiving his Miranda rights, the defendant was interviewed on videotape by the Metropolitan Police Department and ultimately acknowledged he had committed the robbery and that he had hit the complainant because the complainant was “fidgety.”

On May 19, 2006, a registered sex offender, Dennis Lee Martion, was sentenced to 144 months in prison for sexually abusing a male stranger he abducted in Northwest Washington, D.C. in November 2005. (Case # 2005FEL006600; PSA 303)

Martion, 49, of the 4800 block of Georgia Avenue, NW, Washington, D.C., received the sentence in the Superior Court of the District of Columbia before the Honorable Wendell P. Gardner, Jr. On March 2, 2006, the defendant pled guilty to two counts of Attempted First Degree Sexual Abuse for his role in the sexual assault of the stranger on November 14, 2005. Judge Gardner sentenced Martion to 72 months on each count, which are to run consecutive to each other. The defendant is also facing charges for violating his parole in a separate rape case in Virginia.

According to the government’s evidence, on November 14, 2005, at approximately 5:45 p.m., the victim was waiting for the bus at the corner of 16th and Euclid Streets, NW. Martion grabbed the victim around the neck and threatened to harm him if tried to resist. Martion forced the victim to a dark alley in the 1600 block of Kalorama Road, NW (PSA 303).

An unknown male in the alley assisted Martion by holding the victim against a fence while Martion sexually assaulted the victim more than once and attempted to rob him. After the assaults, Martion forced the victim to walk with him out of the alley and was directing him to an ATM to obtain money when the victim saw the lights of a police car coming toward him. When the officer got closer, the victim jumped in front of the moving police car and reported that he had just been raped. Martion kept walking and the officer stopped him in front of 1669 Columbia Road, NW. Martion was identified by the victim as the man who had sexually assaulted him and Martion was placed under arrest.

On May 26, 2006, a District of Columbia man, Reginald T. Jones, was sentenced to 15 years in prison for the random and vicious attack and stabbing of a woman at the intersection of 15th and Corcoran Streets, NW, Washington, D.C. in 2005. (Case # 2005FEL003789; PSA 307)

Jones, of the 2100 block of Bruce Place, SE, Washington, D.C., received his sentence in D.C. Superior Court before the Honorable Herbert B. Dixon, Jr., who also ordered that the defendant be placed on supervised release for five years following completion of his prison sentence. On February 17, 2006, the defendant entered an “Alford” plea to the charge of aggravated assault while armed. Due to the defendant’s state at the time of the incident (he was under the influence of PCP), the plea was entered pursuant to North Carolina v. Alford, a 1970 Supreme Court decision which established that a defendant does not admit to having committed the crime charged, but does admit that the government has sufficient evidence to prove his or her guilt.

According to the government's evidence, on July 5, 2005, at approximately 8:15 p.m., the defendant was at the intersection of 15th and Q Streets, NW (PSA 307). The defendant had voluntarily ingested the drugs of PCP and marijuana by smoking a "dipper" – a marijuana joint dipped in liquid PCP. Eyewitnesses described the defendant as acting strange and talking to himself on the corner when the victim, a young woman who lived in the area, walked by on her way home from work. The victim heard the defendant state "white pants . . . white bi***," and saw the defendant begin following her towards the corner of 15th and Corcoran.

When the victim realized that she was being followed, she began walking faster, then running from the defendant to the corner. A passerby in his car saw the victim being followed and pulled over to let the victim get into his car. As the victim was trying to get into the car, the defendant attacked her. Jones struck the victim and threw her to the ground. The defendant then got on top of the victim and began stabbing her with a knife repeatedly in the face, neck, arms, abdomen, and back. Multiple eyewitnesses came to the rescue of the victim. Many grabbed the defendant trying to get him off the victim. Some started striking the defendant with their hands or other objects they found in the street. Others called the police from cellular phones.

Several times, the eyewitnesses were able to get the defendant off the victim, but the defendant would fight the eyewitnesses off and return to stabbing the victim in the street. After eyewitnesses knocked the knife out of the defendant's hands, the defendant continued to beat the victim with his fists. Eventually, approximately five eyewitnesses were able to pull the defendant off the victim and subdue him by holding him down in the street. Members of the Metropolitan Police Department arrived, and Officer Jeffrey Clay, Jr. placed the defendant under arrest. The defendant's knife, a folding pocketknife, was found in the street. The victim was treated at the hospital. She suffered from multiple stab wounds and nerve damage which had lasting effects.

In sentencing the defendant to 15 years of incarceration, the Court granted the government's motion to depart upward from the Superior Court Sentencing guidelines which provided for a potential prison sentence of between 4 and 10 years. In finding that this case was more serious than the typical case, the Court agreed with the government and found that: (1) the defendant had inflicted "devastating injuries" on the victim; (2) the defendant had prior experiences with PCP which would have led him to have an awareness of its dangers, and (3) had the brave citizens of the community not timely come to the victim's aid, the defendant would have killed her.

On June 1, 2006 William Rue, has been sentenced to 10 years of incarceration following a guilty plea in January of this year to sexually abusing a mentally disabled man near the Dupont Circle metro station in 2003. Rue, 52, formerly of the 2500 block of Ontario Road, NW, was sentenced by the Honorable Erik Christian in D.C. Superior Court in connection with the assault. In addition to serving 10 years in jail, Rue will have to register as a sex offender for the remainder of his lifetime. (Case No. 2005FEL003817; PSA 308)

According to the government's evidence, Rue approached the victim, a mentally disabled man near the Dupont Circle metro station (PSA 308) and engaged him in conversation. Rue

lured the victim to a nearby alley, and then told the victim he had a gun, displayed an imitation firearm, and demanded money. When the victim said he had no money, Rue demanded that the victim perform oral sex on him. At the end of the incident, Rue gave the victim a lollipop and a dollar and instructed him not to leave the alley for several minutes.

On June 9, 2006 Earl Long, Jr., a local man with no fixed address, has been sentenced to a total of 246 months in prison for raping two women in December 2004 in Northwest Washington. Long received his sentence in D.C. Superior Court before the Honorable Wendell P. Gardner, Jr. On April 7, 2006, Long Jr. pled guilty to First Degree Sexual Abuse and Third Degree Sexual Abuse for the sexual assaults of the two women. (Case No. 2005FEI003469; PSA 306)

During the previous plea proceeding, Long acknowledged that during the early morning hours of December 19, 2004, he entered the laundry room, in the basement of an apartment building located in the 2100 block of O Street, NW, where the first adult female victim lived. While the victim was putting clothing in the dryer, the defendant appeared in the doorway and asked her if the building had soda machines in the basement. When she replied no, he stepped into the laundry room and closed the door. As the victim attempted to leave, the defendant ordered her to move away from the door. He then showed her a round metal object that he had placed in the sleeve of his shirt and told her it was a shot gun barrel. The defendant next pressed the pipe into her head and face and put one hand on the complainant's neck and pushed her back towards the dryer area of the laundry room. He used his other hand to pull her pants down, whereupon he sexually assaulted her. Eventually, he shoved her face to the floor and told her to stay there and he got up and left.

One week later, at approximately 9:00 a.m, on Christmas Eve morning, December 24, 2004, the defendant entered the Windemere Apartment Building located in the 1800 block of New Hampshire Avenue, NW. The defendant was able to gain entry by randomly calling a building resident from a phone and telling that person that he was working for the Washington Post and needed to make a delivery. The defendant proceeded to the basement level where the laundry was located. A short time later, the adult female victim, who was employed as part of the cleaning staff at this building, entered the basement to begin her duties that morning. The defendant attacked her from behind while she was standing in the hallway, grabbing her by her shoulders. She fell to the ground, but the defendant pulled her up and forced her into a bathroom located just across the hallway from where they had been standing. He closed the door and once inside the bathroom, threw the victim to the floor face down. As she struggled to get up, he pushed her to the floor again where he sexually assaulted her. After the assault, the defendant fled the building. The defendant's movements were captured by video surveillance cameras located throughout the common areas of the building.

Televised news broadcasts showing footage from the video surveillance cameras aired shortly after the assault of the second woman. The defendant became aware of these broadcasts and traveled to Atlantic City, New Jersey. He was arrested at his father's apartment in February 2005. The jacket depicted in the surveillance footage was recovered inside this apartment.

Rue was identified as the perpetrator in this case more than a year after the incident, after a hit in the FBI's Combined DNA Index System (CODIS) database matched DNA evidence that had been collected from the victim on the day of the assault.

On June 21, 2006 Carlo Castellanos-Feria was sentenced to a total of 38 months in prison for stalking a District woman and burglarizing her home, where he set up a video camera and then hid for two days under her bed. Castellanos-Feria in D.C. Superior Court before the Honorable Herbert B. Dixon, Jr., who also ordered that the defendant be placed on three years of supervised release upon completion of his prison sentence. The Court further ordered that the defendant undergo a sexual offender evaluation. (Case No. 2005FEL006856; PSA 301)

The defendant pled guilty on March 21, 2006, to one count of second-degree burglary in connection with his conduct during Thanksgiving weekend 2005, when he used copies of the victim's keys to break into her one-room apartment and hide there over the weekend. The defendant also pled guilty to a misdemeanor charge of stalking for his conduct toward the victim throughout the Summer and Fall of 2005.

The government's evidence in this case demonstrated that the defendant, who worked as a parking valet at Holy Cross Hospital, began stalking the victim, who worked inside the hospital, during the Summer of 2005. On one occasion after the victim left her car to be valet parked, the defendant made copies of the victim's home and car keys. He then used the copies of her keys to enter her apartment near 16th and V Streets, NW (PSA 301), on November 25, 2005. Once inside, the defendant set up a hidden video camera, which he pointed at the victim's bed. The defendant then hid under her bed, where he was discovered by the victim's boyfriend on Sunday morning, November 27, 2005.

During the investigation that followed, the defendant's home was searched. Found in his basement bedroom were six framed photographs of the victim and her ex-husband, a stack of photos from one of their vacations, a video of their wedding, and a pair of the victim's underwear, all inside a wooden drawer. When shown the items, the victim immediately recognized them as belongings that were stored in her ex-husband's house in Maryland. Her ex-husband confirmed that the pictures and video, as well as the drawer he kept them in, had recently been discovered missing from his home, though he believed at first that they had simply been misplaced during recent renovations to his home.

Also found in the defendant's home was a small spiral notebook with over fifty pages of notes detailing the addresses, former addresses, social security numbers, dates of birth and phone numbers of the victim, her boyfriend, their friends and their family members. The defendant had taken notes on the flight information from the victim's travels, the schools she had attended, the details of her divorce, and even of the directions to the friend's house where the victim vacationed. The defendant had also written in his notebook notes about an intimate conversation between the victim and her boyfriend that was held inside her apartment one week prior to the defendant's arrest.

DISTRICT COURT CASES

On May 22, 2006, Gwendolyn M. Hemphill, the former Executive Assistant to the President of the Washington Teacher's Union (WTU), was sentenced to 11 years in prison for her role in a conspiracy to defraud WTU between 1997 and 2002. Hemphill, 64, of Washington, D.C., was sentenced in United States District Court before the Honorable Richard J. Leon, who also ordered that Hemphill serve three years of supervised release upon her release from prison and perform 300 hours of community service. The Court further ordered her to pay restitution in the amount exceeding \$4.2 million. (District Court)

In August 2005, a federal jury convicted Hemphill of 23 counts of conspiracy, embezzlement, mail fraud, wire fraud, false statements, money laundering, and theft. Her co-defendant, James Baxter, former treasurer of the WTU, was convicted of the same offenses and will be sentenced on June 5, 2006.

WTU is the collective bargaining unit for 5,000 teachers, guidance counselors, librarians, and other school professionals employed by and retired from the District of Columbia Public Schools. The government's case at trial demonstrated that Baxter and Hemphill, along with Barbara Bullock, the former president, stole millions of dollars from WTU starting in 1995, and continuing through about September 2002. Bullock pled guilty to mail fraud and conspiracy charges and is serving a 9-year federal prison sentence. The scheme was carried out or aided and abetted by several lesser players, including Hemphill's daughter and son-in-law, Bullock's chauffeur, a friend of Hemphill's son-in-law, and a union accountant. These five persons also pled guilty to various federal offenses and are awaiting sentencing.

The conspiracy first was limited to the use of credit cards for lavish personal purchases and through the co-conspirators writing checks to themselves for false and fictitious services or reasons. The conspiracy evolved as Baxter, Hemphill, and Bullock sought to cover up their fraud by: (1) creating a sham company called Expressions Unlimited, which was run by Michael Martin (Hemphill's son-in-law), Cheryl Martin (Hemphill's daughter and Michael Martin's wife), and Errol Alderman (Michael Martin's friend), and which existed solely for the purpose of receiving union funds and paying them out to the conspirators, in part, to make it appear that checks from Bullock and Hemphill to pay WTU's American Express bills were from their personal funds; and (2) writing over \$1.4 million in checks to Leroy Holmes, Bullock's chauffeur, who pleaded guilty in February 2003 to conspiracy to launder funds. Holmes would cash union checks and return most of the proceeds to Hemphill or deposit them into Bullock's bank account. Likewise, the Martins and Alderman pled guilty to conspiracy to launder money.

The fraud was concealed for years because of WTU's failure to complete and submit audits to the American Federation of Teachers and because, in some cases, certain other persons performing accounting-related services for WTU improperly accounted for the use of WTU funds, thereby making it appear that WTU funds were being spent appropriately. This improper accounting, which was performed, in part, by Robin Klein (who pled guilty just prior to trial to two counts of making false statements to the Department of Labor), included taking, in some cases, a year's worth of union American Express charges for personal expenditures and dividing them among legitimate-sounding accounts, such as "Employee Benefits,"

“Pension,” “Membership Services,” and “Travel and Entertainment.” The false accounting information was then reported and, to some extent, further falsified by Baxter and Hemphill, on WTU financial reports, including annual tax returns submitted to the IRS and financial statements filed with the Department of Labor.

On May 25, 2006, leaders of the M Street Crew, a notorious (phencyclidine) PCP and ecstasy distribution ring that operated in the neighborhood of 18th and M Streets, NE, Washington, D.C., between 2000 and 2004 were found guilty. John L. Franklin, 33, of the 1300 block of Belmont Street, NW, was found guilty of being the principle administrator of a continuing criminal drug enterprise (CCE). (District Court)

United States Attorney Wainstein stated, “this prosecution represents the successful culmination of a joint federal and local effort to disrupt and dismantle the M Street Crew which had taken over the 18th and M Street neighborhood and turned it into their own private marketplace for drug trafficking.”

The jury verdict found that Franklin had managed, organized and supplied a drug enterprise that distributed more than 30 kilograms of liquid PCP (more than 12 gallons of liquid PCP). Franklin now faces an automatic sentence of life in prison without the possibility of release. The jury also found him guilty of participating in a conspiracy to distribute PCP, ecstasy and crack cocaine, and of conspiracy to engage in a racketeering enterprise, the M Street Crew. These two additional offenses carry possible sentences of up to life in prison. He was also convicted of 23 separate drug trafficking offenses and numerous federal firearm counts.

The jury also convicted four additional M Street Crew leaders of RICO conspiracy and narcotics conspiracy charges. Those convicted included William Dee Robinson, 30, of 1716 M Street, NE.; George “Shug” Wilson, 37, of Capitol Heights, Maryland; and Joseph Blackson, 29, who is the brother of John Franklin, and resident of 2723 Shipley Terrace, SE. Lastly, the jury convicted William “Mike” Simmons, 32, of 1226 G Street, NE. Evidence in the case characterized Simmons’s role as that of a personal assistant to the leader, John L. Franklin. Each of these defendants face the possibility life in prison.

Franklin and Simmons were also charged with the March 28, 2003, murder of Kevin Lurk, and the shooting of another individual at 10th and I Streets, NE. The jury heard evidence of numerous acts of violence committed by members of the M Street Crew, but returned verdicts of not guilty against Franklin and Simmons for this murder.

Judge Rosemary Collyer scheduled sentencings for George Wilson on August 17, 2006, for Blackson and Franklin on August 18, 2006, for Simmons on August 23, 2006, and for Robinson on September 5, 2006. All have been detained since their arrests on March 16, 2004.

The prosecution grew out of a long-term FBI/MPD task force called the Safe Streets Task force that targets violent drug trafficking gangs in the District of Columbia. The Safe Streets Initiative is funded in part by the Baltimore Washington High Intensity Drug Trafficking Area as well as the Organized Crime Drug Enforcement Task Force.

On May 19, 2006, Mohamed Hussain Mohamed Riyal, 25, a citizen of Sri Lanka, was sentenced to serve 10 months in prison for his role in a visa fraud scheme in which 18 Sri Lankan nationals submitted fraudulent visa applications to enter the United States. The sentence was delivered by Honorable Richard J. Leon. In April of this year, Riyal pled guilty to False Making of Visas, Permits and Other Entry Documents and to Knowingly Presenting an Immigration Document Containing a False Statement as part of a visa fraud scheme. (District Court)

The defendant's sentence concludes an 18-month investigation conducted by the U.S. Department of State's Diplomatic Security Service, Visa Fraud Branch (DSS), with the assistance of the Department of Homeland Security, Immigration and Customs Enforcement (ICE). The investigation identified 18 Sri Lankan nationals who, since January 2002, submitted non-immigrant visa applications to U.S. Embassies in Saudi Arabia, Qatar, and the United Arab Emirates fraudulently seeking to work in the United States for non-existent Saudi diplomats.

An A-3 visa may be issued by a United States Embassy abroad to an alien who is going to be employed within the United States as a household domestic or care giver of a foreign diplomat assigned in an official capacity to a diplomatic mission within the United States. Adjudicating officials issued A-3 visas to 13 of the applicants and refused visas to 5 others. The defendant was among the 13 applicants who successfully obtained an A-3 visa under this scheme. To date, 10 of the 11 successful applicants currently believed to be in the United States have been detained and subjected to criminal prosecution and/or deportation proceedings in the District of Columbia, Virginia, Illinois, California, and Connecticut.

The defendant admitted during the plea proceeding that in January 2004, he fraudulently obtained an A-3 visa from the United States Embassy in Doha, Qatar, by falsely claiming in his visa application that he was currently employed as a housekeeper in order to persuade the visa adjudicating official that he intended to work in a similar position for a purported Saudi diplomat.

The defendant also admitted that between March and June 2004, also in Doha, Qatar, he helped another individual fraudulently acquire an A-3 nonimmigrant visa in exchange for a fee of \$9000. The defendant provided that individual with documents that included a letter purportedly from the Saudi Embassy and a purported employment contract verifying the individual's employment with a purported Saudi diplomat, and a question and answer sheet to assist the individual with the visa interview. The defendant helped the individual fill out the visa application by providing the address at which the individual purportedly would stay in the United States and the name and telephone numbers of his purported sponsor. When the individual asked about the sponsor, the defendant said not to worry about it, that others had done the same and obtained visas.

In October 2005, the defendant was detained as he was attempting to enter the United States using his fraudulently obtained visa. The defendant had in his possession numerous documents related to the application for, or issuance of, A-3 visas to several individuals to work for non-existent Saudi diplomats. Those documents included copies of A-3 visas issued to other

individuals; a page containing what appeared to be multiple attempts to practice writing the signature of a purported Saudi diplomat; and a question and answer sheet to assist an individual with an A-3 visa interview. The defendant also had two computer disks containing documents related to the issuance of various types of United States non-immigrant visas, including letters purportedly from the Saudi Embassy in support of the A-3 visa applications for several individuals. The defendant admitted that he has provided at least 6 falsely made documents to other individuals for their use in obtaining A-3 visas.

On May 10, 2006, Maria R. Hartline, 53, of Vienna, Virginia, who served as a secretary to the Air Force Chief of Chaplains at Bolling Air Force Base, pled guilty to embezzling over \$131,706.26 from the U.S. Treasury through a variety of fraudulent schemes. Hartline's plea took place in the United States District Court for the District of Columbia before the Honorable Ellen Segal Huvelle. When Hartline is sentenced, she faces between 12 and 18 months of imprisonment under the Federal Sentencing Guidelines. Sentencing has been scheduled for August 4, 2006. (District Court)

According to the proffer of evidence provided to the Court by the government, between January 2002 and October 2005, Hartline embezzled money from the federal government as a federal employee by submitting fraudulent claims for overtime; fraudulently claiming to be working while taking annual leave; fraudulently using a government credit card for personal expenditures; and fraudulently submitting voucher payment requests for personal trips. Hartline was able to accomplish her schemes in large part by using her coworkers' and supervisors' computer passwords to avoid receiving necessary approval for overtime and travel claims.

On May 11, 2006, Michelle L. Newman, a former employee for SunTrust Bank, pled guilty to bank theft in connection with the theft of approximately \$70,000 from the bank. Newman, 32, of Woodbridge, Virginia, entered her guilty plea at a hearing in U.S. District Court for the District of Columbia before the Honorable James Robertson, during which she admitted that from January of 2002 until July 26, 2005, she submitted fraudulent expenses for alleged bank client functions and deposited the resulting credited funds into her own personal checking account to use for gambling. Newman faces up to 10 years in prison under the bank theft statute when sentenced in July of this year, but likely will face 6 to 12 months of imprisonment under the Federal Sentencing Guidelines. Newman has agreed to make restitution of \$70,000 to the bank. (District Court)

As part of her guilty plea, Newman acknowledged that she worked at SunTrust Bank in the Wealth Management Division until July 2005. It was in July of 2005, when officials at SunTrust became concerned about general ledger entries made by Newman for alleged client functions and expenses or supplies that reportedly had been requested by specific team leaders and approved by Newman's supervisors. The SunTrust officials noted that a number of ledger entries for the debit ticket to pay these expenses made during the first six months of 2005 had forged signatures authorizing payments and that the offsetting credit ticket for each entry was deposited into Newman's personal checking account.

An investigation of this matter showed more than 400 debits with corresponding credits being made to Newman's checking account. The respective team leaders, however, all denied

that the events took place or, if there was a function, the team leaders stated it would not have required the expense submitted by Newman. Each of the team leaders said they would have used their corporate credit cards for client entertainment. Newman's supervisors also stated that the expenses would not have been authorized and the authorizing signatures were not their respective signatures.

Newman submitted her resignation to SunTrust Bank on July 14, 2005. On July 26, 2005, Newman admitted to a bank investigator that she had developed a gambling habit in early 2002 and used the credits from the fraudulent general ledger expense entries to pay for her gambling. A review of bank records for 2002 through 2005 showed a loss to SunTrust Bank of at least \$70,000 from Newman's activities.

On May 11, 2006, the second robber of the Catholic University Federal Credit Union was sentenced to 90 months in prison. Ronald Reed, 47, of Washington, D.C., was sentenced in the United States District Court for the District of Columbia before the Honorable Reggie B. Walton, to 90 months for robbing the Printing and Engraving Federal Credit Union located on the campus of Catholic University in 2003. On December 6, 2005, Reed pled guilty to armed bank robbery. (District Court)

The defendant admitted that he and his brother, Vincent Reed, who was armed with a gun and wearing a mask on his face, entered the Engraving and Printing Federal Credit Union on the morning of December 1, 2003. Vincent Reed pointed a gun at the lone teller in the bank and demanded money. The robbers fled the bank with approximately \$25,000 in cash and money orders. Ronald Reed was captured outside the credit union by Catholic University Public Safety Officers, but Vincent Reed eluded capture by carjacking a pick-up truck belonging to an innocent bystander. When Vincent Reed dropped his face mask, Catholic University Security officers recognized him as a former Catholic University employee. That identification led FBI agents and Metropolitan Police officers to distribute wanted posters throughout the city. On December 2, 2003, officers from the Metropolitan Police Department located and arrested Vincent Reed. Upon Vincent Reed's arrest, officers recovered more than \$1000 in cash.

Vincent Reed elected to go to trial, and on December 15, 2005, a federal jury convicted Vincent Reed of armed bank robbery and armed carjacking. On March 21, 2006, Vincent Reed was sentenced to a total of 27 years in prison for robbing the credit union and carjacking an innocent bystander's car in order to flee the scene.

On May 12, 2006, Malvin Palmer, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to 42 years and 8 months in prison. Palmer, 26, of the Bronx, New York, was found guilty of participating in two armed bank robberies and being part of a much larger criminal conspiracy, until his participation was cut short by an arrest by the New York City Police Department on a probation violation. (District Court)

In the District of Columbia, Palmer was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, two substantive armed bank robbery counts, and weapons offenses. As part of the conspiracy, Palmer participated in robberies at the Bank of America, on Blair Road,

NW, and the Riggs Bank on Georgia Avenue, NW. In both robberies, Palmer was armed with an assault rifle which he used to intimidate customers and employees. When the co-conspirators, following the robbery at Bank of America, were making good their escape in a stolen van, Palmer spit out the window as they drove away, leaving DNA evidence behind. When FBI agents subsequently discovered the abandoned van, they observed a smear on the outside window, swabbed it, and submitted it to the FBI laboratory, where a DNA comparison determined it to be a match with Palmer.

Palmer was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 42 years and 8 months in prison, followed by 5 years of supervised release, and ordered to pay \$236,000 in restitution.

Last Spring and Summer, six defendants — Palmer, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Bryan Burwell, and Aaron Perkins — went to trial before Judge Kollar-Kotelly and a federal jury. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. Burwell has been sentenced to a term of 41 years and 3 months; Perkins has been sentenced to 34 years and 9 months; and Aguiar has been sentenced to a term of 60 years. Morrow and Stoddard will be sentenced next week.

Earlier this year, Judge Kollar-Kotelly sentenced two other defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively.

On May 17, 2006, Otto Antonio Gutierrez, Jr., the former Chief Administrative Accountant for the Inter-American Development Bank (“IDB”), was sentenced to 41 months in prison for embezzling more than \$400,000 while working for the IDB. Gutierrez, 55, was sentenced in U.S. District Court for the District of Columbia before the Honorable John Garrett Penn. Gutierrez pled guilty in February 2006 to a one-count Information Charging Wire Fraud. In sentencing the defendant to 41 months in prison, which is to be followed by three years of supervised release, the Court found that Gutierrez had employed sophisticated means and abused a position of trust in the execution of his fraudulent conduct. In addition to the terms of imprisonment, Gutierrez was ordered to pay restitution to the IDB in the amount of \$423,283. (District Court)

The IDB is a public international organization whose shareholders are the governments of 47 countries, including the United States of America. The IDB’s purpose is to contribute to the acceleration of economic and social development of its regional developing member countries. The IDB relies upon public and private investors to fund its projects through the issuance of interest-bearing bonds.

Gutierrez, a native of Costa Rica, was employed by the IDB, in its Washington, D.C. headquarters, for more than 30 years. He started in 1975 as a messenger. While he worked at the IDB, Gutierrez earned a Bachelor’s degree in economics and a Master’s degree in Development Banking. In 1997, he was promoted to Chief of the Administrative Accounting Section where he oversaw the yearly payment of more than \$100 million in administrative expenses and supervised as many as 20 other individuals.

In 1995, before he was elevated to Chief, Gutierrez began his scheme of creating fictitious vendor accounts and directing payments to be made for his benefit. Paper checks made payable to these fictitious vendors were deposited by Gutierrez into bank accounts that he controlled. As technology advanced and payments were made electronically, Gutierrez directed the transfer of funds from the IDB’s bank account into several accounts in his own name. Gutierrez succeeded in hiding his theft for many years by debiting an accrual account that he knew was not subject to regular reviews.

When the IDB discovered Gutierrez’s theft, it promptly referred the matter to law enforcement authorities.

On May 17, 2006, Miquel Morrow, the lead defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to life in prison plus 95 years in prison. Morrow, 28, of the 700 block of Marietta Place, NW, Washington, D.C., was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, four substantive bank robbery counts, and numerous weapons offenses. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual whom he believed had stolen a weapon from the criminal enterprise. (District Court)

As part of the conspiracy, Morrow participated in all six bank robberies, each time armed with an assault rifle which he used to intimidate customers and employees. He was captured on videotape by a FOX News crew, as he ran and stumbled to the ground fleeing from the last bank, the SunTrust Bank on Connecticut Avenue, NW, on June 29, 2004. Other evidence at trial depicted him stumbling as he ran from the Chevy Chase Bank, in Silver Hill, Maryland, on May 10, 2004.

Earlier this month, co-defendant Carlos Aguiar, who is a career offender based on his prior convictions, was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 60 years in prison, followed by five years of supervised release, and ordered to pay restitution of \$361,000 to the banks that were robbed. Co-defendant Malvin Palmer was sentenced last Friday, to just under 43 years in prison; co-defendants Aaron Perkins and Bryan Burwell have been sentenced to 34 years and 41 years, respectively. One last defendant, Lionel Stoddard, will be sentenced on Friday, May 19, 2006. He is the individual who was convicted of shooting at a Prince George's County police officer, as the group fled the March 19, 2004 robbery in Silver Hill.

Last Spring and Summer, six defendants went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six

defendants, to 13 years, and 9 years, respectively, as well as the same period of supervised release and restitution as received by the other sentenced defendants.

On May 2, 2006, Aaron Perkins, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to over 34 years in prison. Perkins, 28, of Oxon Hill, Maryland, was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, a substantive bank robbery count for the robbery on June 29, 2004, of the SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., and a weapons offense. During the robbery, the defendant was carrying a machinegun while acting as a lookout on the street in broad daylight on Connecticut Avenue. Following this bank robbery, a number of weapons used in the earlier robberies were seized from Perkins' apartment during raids by law enforcement agents in the early morning hours of July 16, 2004. Perkins was sentenced for these offenses by United States District Judge Colleen Kollar-Kotelly to 34 years and nine months in prison to be followed by five years of supervised release. He was also ordered to pay restitution of \$361,000 to the banks that were robbed. (District Court)

Last Spring and Summer, six defendants — Perkins, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Bryan Burwell, and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Temple Hills, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations, stemming from the defendants' actions. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. Burwell was sentenced by Judge Kollar-Kotelly on April 28, 2006, to 41 years and three months in prison, and the same period of

supervised release and restitution as Perkins. The remaining trial defendants are expected to be sentenced later this month.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively, as well as the same period of supervised release and restitution as defendants Burwell and Perkins.

On May 4, 2006, Carlos Aguiar, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to 60 years in prison. Aguiar, 26, of the 1400 block of Fairmont Street, NW, Washington, D.C., was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, two substantive bank robbery counts, and weapons offenses. (District Court)

As part of the conspiracy, Aguiar participated in four bank robberies – Bank of America, two Chevy Chase Banks, and Industrial Bank. In each robbery, Aguiar was armed with an assault rifle which he used to intimidate customers and employees. In the robbery of the Industrial Bank, a surveillance camera photographed Aguiar pointing the assault rifle in the face of a 12-year-old boy as his mother laid prone on the floor a short distance away.

During the robbery of the Chevy Chase Bank in Silver Hill, Maryland, Aguiar and two other defendants fired numerous rounds at a Prince George's County Police Officer who arrived in her car on the scene as the robbery was taking place. Furthermore, Aguiar was ultimately arrested when he tried to flee from law enforcement agents who had a warrant for his arrest. During his flight, Aguiar, who was driving a stolen car and illegally in possession of a semiautomatic handgun, smashed through a blockade, had to be forced to a stop in Anacostia Park and was then pulled out of his car by Metropolitan Police Department (MPD) Detective Oscar Mouton.

Aguiar, who is a career offender based on his prior convictions, was sentenced for the present offenses by United States District Judge Colleen Kollar-Kotelly to 60 years in prison, followed by five years of supervised release, and ordered to pay restitution of \$361,000 to the banks that were robbed.

Last Spring and Summer, six defendants — Aguiar, Miquel Morrow, Lionel Stoddard, Bryan Burwell, Aaron Perkins and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Silver Hill, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. Burwell and Perkins were previously sentenced by Judge Kollar-Kotelly to prison terms of 41 years and 3 months, and 34 years and 9 months, respectively, and the same period of supervised release and restitution as Aguiar. The remaining three trial defendants are expected to be sentenced in the next couple of weeks.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to 13 years and 1 month, and 9 years, respectively, as well as the same period of supervised release and restitution as received by the other sentenced defendants.

On May 4, 2006, a resident of Haiti, Phito Cajuste, pled guilty to taking a nine-year-old American girl hostage in Haiti. Phito Cajuste, also known as "Fito," 24, of Haiti, pled guilty in the United States District Court for the District of Columbia before the Honorable John D. Bates. The nine-year-old victim, who is a United States citizen, had been living with her family in the area of Port-au-Prince, Haiti. The defendant faces a maximum sentence up to life imprisonment under the Hostage-Taking statute. He was arrested in late February in Haiti and brought to the United States. In December 2005, two other coconspirators, Yves Jean Louis, 24, and Ernsou Louis, 19, both of Haiti, pleaded guilty in connection with this hostage-taking. Sentencing dates have yet to be set in any of the three cases. (District Court)

The ordeal for the little girl began in the early morning hours of September 26, 2005, when Phito Cajuste, Yves Jean Louis, Ernsou Louis and another armed assailant abducted the girl from her bed, after having invaded the family's home. The girl was taken to a remote mountain location and held there for more than one week, during which time she became ill. The girl was told repeatedly that if she told anyone or tried to escape, she would be killed. During that time, the hostage-takers made demands for ransom, starting at \$200,000 in U.S. dollars. A citizen passing through the area where the girl was being held became aware of her presence and alerted the authorities. The girl was rescued on October 4, 2005. The authorities apprehended Ernsou Louis at

the scene and located Yves Jean Louis a short while later. Phito Cajuste was arrested in late February, 2006 in Haiti.

On May 4, 2006, a Lexington, Kentucky corporate executive, David S.C. Tatum, pled guilty to making false statements in an Iranian trade embargo investigation. Tatum, 70, of Lexington, Kentucky, entered his plea of guilty in U.S. District Court for the District of Columbia before the Honorable John D. Bates to the felony charge of making a material false statement to federal agents investigating violations of the U.S. trade embargo against Iran. The Honorable John D. Bates is scheduled to sentence Tatum on August 4, 2006. (District Court)

Regarding this prosecution, United States Attorney Wainstein said, "It is of paramount importance that federal agents be able to fully investigate the facts surrounding violations involving national security matters. This prosecution shows that the Department of Justice will vigorously enforce the laws against obstructing such criminal investigations through false statements or other means."

The charge arose from a Commerce Department Office of Export Enforcement ("OEE") and ICE investigation into a scheme by two executives of Clark Material Handling Corporation ("CMHC"), a Kentucky-based forklift truck manufacturer, to sell U.S.-origin forklift components to an Iranian forklift truck manufacturer, Sepahan Lifter, in violation of the trade embargo against Iran. The two CMHC executives, Robert E. Quinn and Michael H. Holland, and Sepahan Lifter's Managing Director, Mohammad A. Sharbaf, were indicted in the District of Columbia in April 2005. Tatum, then a Vice-President of CMHC, was interviewed during the course of the investigation. According to papers filed in connection with Tatum's plea, he knew of the Iranian trade embargo. Tatum was also aware that Quinn and Holland were in communication with Sharbaf and had arranged for parts to be shipped to Sepahan Lifter through a company in the United Arab Emirates ("U.A.E."), thereby making it appear that the parts were not going to an embargoed country.

According to court documents filed by the government, on or about August 10, 2005, in the District of Columbia, Tatum falsely told OEE and ICE agents investigating the matter that, after learning of Quinn's and Holland's dealings with Sepahan Lifter and Sharbaf, Tatum had instructed them to cease sending CMHC replacement parts to Sepahan Lifter or Sharbaf either directly or through a third party. In fact, he had not given such an instruction to Quinn or Holland.

After a trial ending in December 2005, a federal jury found Quinn guilty of all six counts of the indictment against him, and on February 23, 2006, he was sentenced to 39 months of imprisonment. Holland was acquitted after trial. Sharbaf remains at large. A fourth coconspirator, who had operated the intermediary company in the U.A.E., Khalid Mahmood, previously pled guilty to Iran embargo violations relating to other transactions, and provided

substantial cooperation in the government's investigation. On January 19, 2006, he was sentenced to 16½ months of imprisonment.

The International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-1706, and the Iranian Transaction Regulations, 50 C.F.R. Part 560, prohibit all exports to Iran of U.S.-origin commodities absent authorization in the form of an export license from the Office of Foreign Assets Control ("OFAC") of the Department of the Treasury. They also make it unlawful to ship U.S.-origin products to a third country and for re-export to Iran without the necessary OFAC authorization. These prohibitions have been in place since 1995.

On May 5, 2006, former Voice of America broadcaster, James Russell Woodgates, pled guilty to possession of child pornography. Woodgates, 54, of Washington, D.C., entered his guilty plea in U.S. District Court before the Honorable Royce C. Lamberth. Woodgates is subject to up to five years of imprisonment, a \$250,000 fine, or both, when he is sentenced by the Honorable Royce C Lamberth on July 14, 2006. (District Court)

During court proceedings, the defendant admitted that over the course of several years while employed as a broadcaster for the Voice of America, he had viewed pornography, including child pornography, on the internet at work. The defendant engaged in this illegal activity in a number of ways, including, browsing websites containing pornographic images of children; participating in online group chat rooms that discussed and facilitated the trading of child pornography; maintaining online storage areas containing pornographic images of children and providing other individuals with access to those areas; and sending and receiving pornographic photos of children via the internet. The defendant immediately resigned his position at the Voice of America upon the discovery of his conduct in December 2002.

A forensic analysis of the contents of the defendant's work computer resulted in the recovery of approximately 250 separate images and four videos depicting young boys, including prepubescent boys, engaged in sexually explicit conduct. An analysis of these images conducted by the National Center for Missing and Exploited Children revealed that at least 19 of the images were of identified child victims of sexual exploitation, including several victims under 12 years of age.

On April 28, 2006, Bryan Burwell, a defendant in a serial bank robbery case that went to trial in U.S. District Court last year, was sentenced to over 41 years in prison. Burwell, 28, of Greenbelt, Maryland, was convicted by a federal jury on July 15, 2005, of conspiracy to participate in a Racketeer Influenced Corrupt Organization (RICO), conspiring to commit bank robberies, a substantive bank robbery count for the robbery on June 12, 2004, of the Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., and using a machinegun during that bank robbery. Burwell was sentenced for these offenses by United States District Judge Colleen Kollar-Kotelly to 41 years and 3 months in prison, followed by

five years of supervised release, and he was ordered to pay restitution of \$361,000 to the banks that were robbed. (District Court)

Last Spring and Summer, six defendants — Burwell, Miquel Morrow, Lionel Stoddard, Carlos Aguiar, Aaron Perkins and Malvin Palmer — went to trial before Judge Kollar-Kotelly. The RICO conspiracy charged that the six defendants, and others, conspired to participate in the following six armed bank robberies in D.C. and Maryland:

January 22, 2004, Bank of America, 5911 Blair Road, NW, Washington, D.C., in which approximately \$144,000 was taken;

March 5, 2004, Riggs Bank, 7601 Georgia Avenue, NW, Washington, D.C., in which approximately \$92,000 was taken;

May 10, 2004, Chevy Chase Bank, 3601 St. Barnabus Road, Temple Hills, Maryland, in which approximately \$54,000 was taken;

May 27, 2004, Chevy Chase Bank, 5823 Eastern Avenue, Chillum, Maryland, in which approximately \$18,000 was taken;

June 12, 2004, Industrial Bank, 2012 Rhode Island Avenue, NW, Washington, D.C., in which approximately \$30,000 was taken; and

June 29, 2004, SunTrust Bank, 5000 Connecticut Avenue, NW, Washington, D.C., in which approximately \$23,000 was taken.

On July 15, 2005, the jury returned verdicts against all defendants, finding them guilty of numerous offenses, including RICO conspiracy, conspiracy, and substantive bank robbery and weapons violations, stemming from the defendants' actions. Morrow was also convicted of an assault with intent to kill on May 15, 2004, in Northwest Washington, D.C., of an individual who allegedly stole a weapon from the criminal enterprise. The remaining trial defendants are expected to be sentenced in May 2006 by Judge Kollar-Kotelly.

Earlier this year, Judge Kollar-Kotelly sentenced two cooperating defendants, Nourredine Chtaini and Omar Holmes, both of whom provided significant testimony at the trial of the six defendants, to thirteen years, one month, and nine years, respectively, as well as the same period of supervised release and restitution as defendant Burwell.

On April 28, 2006, Ashraf Ahmed Abdallah Bashar, 37, an Egyptian man pled guilty to smuggling nearly 100 individuals from Middle Eastern countries into the United States. Abdallah entered his guilty plea in federal court before U.S. Magistrate Judge Deborah A.

Robinson. Abdallah admitted to leading a human smuggling ring that brought 100 or more persons into the United States from April 2001 through January 2002. (District Court)

According to plea documents filed in court, Abdallah met with and housed these men in Guatemala City where he offered to provide illegal entry into the United States. For up to \$8,000, Abdallah arranged land transportation and guides to the United States and organized layovers at safe houses in Guatemala and Mexico. Abdallah also advised the men on how to avoid being apprehended during their journey to the United States. In the end, Abdallah and his co-conspirators successfully provided 100 or more individuals with guided foot-passage across the Southwest border into the United States.

Under the terms of the plea agreement, Abdallah could face a four-year prison sentence. His sentencing is set for October 24, 2006, before U.S. District Court Judge Ricardo M. Urbina.

“Providing persons with unknown backgrounds undetected entry into our country is a threat to national security,” said Assistant Attorney General Fisher. “The Department of Justice will continue to use all legal means to stop illegal human smuggling and the serious threat it poses to American citizens.”

U.S. Attorney Wainstein stated, “Protecting our borders remains one of our top priorities. We will use every tool at our disposal to break up alien smuggling rings and put the operators behind bars.”

“Among the ranks of human smuggling kingpins, Abdallah was one of our major targets. The fact that he has pleaded guilty and is no longer in a position to smuggle people into this country is a significant milestone in our efforts to combat human smuggling organizations,” said ICE Assistant Secretary Julie L. Myers.

Abdallah’s arrest and charges against him arose from an international investigation led by the ICE field office in Washington.

On May 30, 2006, a federal grand jury returned a superseding 24-count indictment charging a Forestville, Maryland man, Marcus Jermaine Pinckney, with attempting to kill a federal witness and numerous narcotics trafficking and weapons charges. Pinckney, 29, of the 3800 block of Ida Court, Forestville, Maryland, was indicted by a federal grand jury on multiple narcotics trafficking, weapons, assault and witness tampering charges, including the shooting and wounding of a federal witness in January 2006. An arraignment date has not yet been set by the court. If convicted of the charges, Pinckney faces a mandatory minimum of 20 years in prison and a maximum of life. (District Court)

On or about December 9, 2004, Marcus Jermaine Pinckney was indicted by a federal grand jury in the District of Columbia on multiple narcotics and weapons charges which related to his long- time alleged distribution of phencyclidine and cocaine base, also known as PCP and crack, respectively, in the Langston Terrace area of Washington between July 2001 and November 2004. The indictment was based upon allegations that Pinckney was responsible for distributing more than a kilogram of PCP and cocaine base to the Northeast area of the District of Columbia. Pinckney was arrested on September 10, 2005, by law enforcement authorities.

On October 17, 2005, Pinckney was released by a judicial magistrate into the heightened supervision/electric monitoring program. While on release, on January 8, 2006, during evening hours, members of the Metropolitan Police Department responded to the front of 700 block of 24th Street, NE, Washington, D.C. (PSA 504). A witness in this investigation was found suffering from several gun shot wounds. The witness was transported to Med Star and was listed in serious, but stable condition despite having suffered three gunshot wounds to the upper torso. The vehicle that the witness drove was riddled with several bullet holes.

On or about January 12, 2006, Pinckney was arrested and charged with Assault with Intent to Kill while Armed with a firearm on January 8, 2006.

On April 11, 2006, Janette Faber, a former office assistant for a local real estate management company, was sentenced to 24 months in prison for stealing \$1,354,376 from her employer. Faber, 44, formerly of Annapolis, Maryland, was sentenced in U.S. District Court before the Honorable Rosemary M. Collyer. Faber pled guilty in January 2006 to one count of interstate transportation of stolen and fraudulently obtained property. (District Court)

According to the government's evidence, between January 1999 and October 2004, Faber, who was then an office assistant for Snyder Properties, a Washington, D.C. based real estate management company, stole funds from her employer's bank accounts by issuing \$1,354,376 in checks made payable to Faber or her creditors. To conceal her activities, Faber omitted material information from Snyder Properties' accounting records and removed cancelled checks from Snyder Properties' monthly bank statements.

On June 5, 2006, James O. Baxter, the former treasurer of the Washington Teachers Union (WTU), was sentenced to ten years in prison for his role in a conspiracy to defraud the WTU between 1997 and 2002. Baxter, 52, of Fort Washington, Maryland, was sentenced in the United States District Court for the District of Columbia before the Honorable Richard J. Leon, who also ordered that Baxter serve three years of supervised release when he leaves prison and perform 300 hours of community service. The Court further ordered him to pay restitution in the amount exceeding \$4.2 million. (District Court)

In August 2005, a jury convicted Baxter of 23 counts of conspiracy, embezzlement, mail fraud, wire fraud, false statements, money laundering, and theft. His co-defendant, Gwendolyn Hemphill, the executive assistant to the president of WTU, was also convicted of the same offenses and was sentenced to eleven years in prison on May 22, 2006.

WTU is the collective bargaining unit for 5,000 teachers, guidance counselors, librarians, and other school professionals employed by and retired from the District of Columbia Public Schools. The government's case at trial demonstrated that Baxter and Hemphill, along with Barbara Bullock, the former president, stole millions of dollars from WTU starting in 1995, and continuing through about September 2002. Bullock pled guilty to mail fraud and conspiracy charges and is serving a nine-year federal prison sentence. The scheme was carried out or aided and abetted by several lesser players, including Hemphill's daughter and son-in-law, Bullock's chauffeur, a friend of Hemphill's son-in-law, and a union accountant. These five persons also pled guilty to various federal offenses and are awaiting sentencing.

The conspiracy first was limited to the use of credit cards for lavish personal purchases and through the co-conspirators writing checks to themselves for false and fictitious services or reasons. The conspiracy evolved as Baxter, Hemphill, and Bullock sought to cover up their fraud by: (1) creating a sham company called Expressions Unlimited, which was run by Michael Martin (Hemphill's son-in-law), Cheryl Martin (Hemphill's daughter and Michael Martin's wife), and Errol Alderman (Michael Martin's friend), and which existed solely for the purpose of receiving union funds and paying them out to the conspirators, in part to make it appear that checks from Bullock and Hemphill to pay WTU's American Express bills were from their personal funds; and (2) writing over \$1.4 million in checks to Leroy Holmes, Bullock's chauffeur, who pleaded guilty in February 2003 to conspiracy to launder funds. Holmes would cash union checks signed by Baxter and return most of the proceeds to Hemphill or deposit them into Bullock's bank account. Likewise, the Martins and Alderman pled guilty to conspiracy to launder money.

The fraud was concealed for years because of WTU's failure to complete and submit audits to AFT and because, in some cases, certain other persons performing accounting-related services for WTU improperly accounted for the use of WTU funds and, thereby, made it appear that WTU funds were being spent appropriately. This improper accounting, which was performed, in part, by Robin Klein (who pled guilty just prior to trial to two counts of making false statements to the Department of Labor), included taking, in some cases, a year's worth of union American Express charges for personal expenditures and dividing them among legitimate-sounding accounts, such as "Employee Benefits," "Pension," "Membership Services," and "Travel and Entertainment." The false accounting information was then reported and, to some extent, further falsified by Baxter and Hemphill, on WTU financial reports, including annual tax returns submitted to the IRS and financial statements filed with the Department of Labor.

On May 25, 2006, a 21-year-old Haitian man, Attly Hans, was indicted and arrested in connection with the hostage-taking of an American woman in Haiti last month. Hans was indicted by a federal grand jury in the District of Columbia in charges of taking hostage of a woman who is a United States citizen in Port au Prince, Haiti, in May 2006. Hans was arrested June 6, 2006, in Haiti and brought to the United States. Hans was arraigned before United States Magistrate Judge John Facciola in United States District Court in Washington, D.C. If convicted of the charge, Hans faces a maximum sentence of up to life imprisonment. (District Court)

The indictment is based upon an incident that occurred during the late afternoon of May 10, 2006, when Hans and other armed assailants allegedly abducted the woman by carjacking the vehicle she was riding in. They took the woman hostage and repeatedly threatened to kill her. They held her for approximately five days, during which time they demanded ransom. The family and friends of the victim paid over \$7,000 in ransom before the hostage-takers finally released her.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws. Every defendant is presumed innocent until and unless found guilty.

On June 13, 2006, a former Howard University Hospital payroll secretary, Maria Teves-Upshur, was sentenced to 11 months in prison for conspiring to defraud Howard University Hospital by submitting false time and attendance records for full- and part-time nurses for which she obtained unearned income and for receiving kickbacks from a contractor who provided nurses to the hospital. Teves-Upshur, 44, of Oxon Hill, Maryland, received her sentence before United States District Judge Gladys Kessler, who also ordered Teves-Upshur to pay \$120,000 in restitution. On February 9, 2006, the defendant pled guilty to Conspiracy to Commit Health Care Fraud. (District Court)

According to the government's evidence, Teves-Upshur was a full-time secretary for the Department of Nursing at Howard University Hospital Center. As the Unit Secretary for the Department, she was responsible for submitting the time and attendance cards of all nurses employed by the hospital in order for them to get paid. Teves-Upshur duties included verifying that nurses worked their shifts, approving nurse time cards and recording the time and attendance information which was entered into the hospital computer system and used by the Accounts Payable Department to pay nurses. In addition, Teves-Upshur was responsible for verifying the numbers of hours worked for temporary or "per diem" nurses often supplied by outside contractors. One such outside contractor was International Health Care Services, Inc. ("IHSI"), whose president was Manuel R. Lagmay.

Teves-Upshur defrauded Howard University Hospital Center in several ways. In or about July 2000, she accepted kickbacks from Lagmay for helping his nursing company, IHSI, obtain a contract to provide "per diem" nurses to Howard University Hospital. As part of these kickbacks, Teves-Upshur accepted a \$5,000 payment in July 2000 to arrange a meeting between Lagmay and the Director of Nursing at the hospital. When IHSI was awarded the contract, Lagmay agreed to and paid Teves-Upshur an additional \$5 for every shift an IHSI nurse worked at the hospital. In addition, Teves-Upshur submitted fraudulent invoices for payment of IHSI nurses at the hospital at the behest of Lagmay. Finally, Teves-Upshur submitted false supplemental time and attendance cards for nurses on her own for shifts that were never worked, forged the corresponding paychecks and kept the money for herself.

Teves-Upshur's co-conspirator, Manuel R. Lagmay, previously pled guilty and was sentenced by Judge Kessler to 24 months in prison and ordered to pay \$210,000 in restitution.

On June 15, 2006, two Southeast District of Columbia men, Carl Taylor and James Underwood, were indicted by a federal grand jury on multiple federal narcotics violations,

including conspiracy to distribute and possess with intent to distribute cocaine base, also known as crack, maintaining a premises to distribute cocaine base, and employment of a minor to distribute cocaine base. Taylor, 34, and Underwood, 44, of the 5000 Block of D Street, SE, Washington, D.C., were arraigned on the six-count indictment on Monday, June 19, 2006, before the Honorable Henry H. Kennedy, Jr. If convicted of the charges, both men will stand to serve a mandatory-minimum sentence of ten years to life imprisonment. (District Court)

The indictment is based upon allegations that between December 2005 through May 2006, Taylor and Underwood maintained a premises located in the 5000 Block of D Street, SE, for the purpose of processing and distributing cocaine base inside an apartment building and in the surrounding neighborhood. This activity occurred within one thousand feet of Nalle Elementary School. During the course of the conspiracy, these two men employed at least one female minor to distribute cocaine base. Additionally, Taylor, the leader and organizer of the crew, allegedly distributed street level single dosage units of cocaine base as well as wholesale amounts of quarter and half kilogram quantities of cocaine base. During a six-month period, this crew allegedly distributed multiple kilograms of crack, generating tens of thousands of dollars in illicit narcotics profits.

An indictment is merely a formal charge that a defendant has committed a violation of criminal laws. Every defendant is presumed innocent until and unless found guilty.

On June 16, 2006, Gerry D. Mathews, a former bookkeeper for a local law firm, was sentenced to one year and a day in prison for embezzling \$350,000 from her employer. Mathews, 42, of Davidsonville, Maryland, received her sentence before the Honorable Paul L. Friedman in the United States District Court for the District of Columbia. The Court also ordered the defendant to pay restitution in the amount of \$341,260.09. Mathews pled guilty on January 30, 2006, and agreed to forfeit \$36,000 seized by FBI agents and returned to the victim. (District Court)

According to the information presented at the plea hearing and in the government's sentencing memorandum, Mathews took over \$350,000 from the partners, their professional corporations, and from the law firm. The defendant embezzled more than \$173,000 just by using the lawyer's money to pay her own credit card bills. At times, the defendant altered the amounts on the checks to the credit card companies, changing a \$36 check or a \$54 dollar check into one for \$3,600 and \$5,400. She then used these checks to pay her own debts to the credit card companies. The defendant also embezzled money by diverting checks made payable to the lawyers; she endorsed her own name under the forged endorsement of the lawyer and then cashed or deposited the checks into her own bank account.

In 1997, the defendant began embezzling money from the law firm's bank account. The defendant wrote her own name as a secondary endorsement on the law firm checks which were made payable to some of the firm's partners. She then either cashed the checks or deposited the checks into her own account or an account belonging to a family member. Similarly, the defendant embezzled money from a third-party check. In 2004, a partner gave the defendant a \$28,511 check made payable to the partner's professional corporation. The partner instructed

Mathews to deposit the check into his professional corporation's account. Instead, in or about November 2004, the defendant deposited the check into a bank account held jointly with her husband.

On June 16, 2006, Victor Moscoso-Espana, a Guatemalan citizen illegally residing in Hyattsville, Maryland, was sentenced to 87 months in prison for attempting to hire a hit man in 2005 to kill an inmate at the D.C. Jail. Moscoso-Espana, 21, received his sentence in the United States District Court for the District of Columbia before the Honorable Reggie B. Walton. Moscoso-Espana pled guilty in March 2006, to use of interstate commerce facilities in the commission of a murder-for-hire. Moscoso-Espana was also ordered to be deported upon his release from prison. (District Court)

During the earlier court proceeding, Moscoso-Espana admitted that in the fall of 2005, he paid a District man, who unbeknownst to him was cooperating for the government, money for the purpose of having an inmate at the D.C. jail murdered. He further admitted that, in arranging the murder-for-hire, he used a telephone to set up meetings and that he and the cooperating witness traveled back and forth between Maryland and D.C. for these meetings, which were recorded by the cooperating witness.

Specifically, Moscoso-Espana admitted that, on October 11, 2005, the defendant called the cooperating witness on the telephone and asked him to meet at the Hess gas station in the 1900 block of New Jersey Ave, NW, Washington, D.C. At that meeting, the defendant asked the cooperating witness to have an inmate at the D.C. jail murdered. The defendant identified the inmate by first name, and gave the cooperating witness the inmate's visiting days and jail identification number. The inmate, also from Guatemala, was incarcerated at the D.C. Jail on drug charges. On October 14, 2005, the defendant again met with the cooperating witness at the Hess gas station in Washington, D.C. The defendant stated that he "want[ed] to kill" the inmate. The cooperating witness indicated that he knew people in the D.C. jail with the target. The defendant instructed the cooperating witness to have them get contact names and phone numbers from the inmate before he was killed.

The defendant again arranged to meet with the cooperating witness in Hyattsville, MD, near the defendant's home, on October 18, 2005. At that meeting, the defendant agreed to pay \$15,000, payable over a period of time in installments, for the murder of the inmate. Finally, on October 21, 2005, the defendant and cooperating witness met in Maryland, and the defendant gave the cooperating witness \$100 as an initial down-payment for the murder.

The defendant was arrested on October 22, 2005. After being read his rights, he admitted to attempting to have the D.C. inmate killed, stating that he did not like the inmate. He further stated that he wanted to get telephone contact information for the inmate's drug sources before the inmate was killed so he could take over the source and make money. At the sentencing, the defendant also stated that he wanted to kill the inmate because the inmate had stolen his girlfriend.

On June 16, 2006, a District of Columbia Superior Court grand jury declined to return an indictment in the case of the alleged assault by Representative Cynthia McKinney of

United States Capitol Police Officer Paul McKenna. The decision by the grand jury, otherwise known as a no true bill or a finding of no probable cause, follows an extensive and thorough grand jury investigation by the United States Attorney's Office and the U.S. Capitol Police Department regarding the incident between the officer and Representative McKinney, which occurred on March 29, 2006, at the Longworth Office Building. (District Court)

United States Attorney Wainstein stated, "We respect the decision of the grand jury in this difficult matter, and we thank its members for their hard work and careful consideration of the evidence and testimony." U.S. Attorney Wainstein added that, "Members of Congress are fortunate to have the protection and the service of one of the finest police forces in the country. We ask the U.S. Capitol Police to protect our Capitol and to do so in a way that minimizes disruption and makes all feel welcome. This is a tremendously difficult job, and it is one that Officer McKenna and his colleagues perform with the utmost professionalism and dignity."

The Department of Justice does not normally comment on the status of investigations, but has the discretion to do so when there is overwhelming public interest in a case. Such comment, however, is limited in this matter by Superior Court Rule of Criminal Procedure 6(e), which precludes disclosure of information received and heard by a grand jury, and thus there will be no further comment regarding this investigation.

The decision by the grand jury concludes the investigation of this incident.

On June 17, 2006, Draphet D. Moody, the former manager of Triad Business Services, pled guilty in a massive tax fraud conspiracy in which the tax preparation service for which she worked fraudulently sought \$1 million in tax refunds for clients. Moody, 29, of Upper Marlboro, Maryland, pleaded guilty before the Honorable Richard J. Leon in the United States District Court for the District of Columbia to a one-count Information charging Conspiracy to file False Income Tax Returns, in violation of Title 18, United States Code, Section 371. The maximum statutory penalty is 5 years of incarceration and a fine of \$250,000.00. Under the U.S. Sentencing Guidelines, which are advisory, Moody faces a sentence of 18 to 24 months of incarceration, a fine, an order of restitution, and a 3-year term of supervised release. (District Court)

The guilty plea arises in connection with Moody's role as a former manager of Triad Business Services, a local tax preparation service. In April of this year, a federal grand jury returned a nine-count indictment against the owner of Triad, Henderson A. Joseph, and another Triad manager, Marcelle L. Stephens, for filing fraudulent client tax returns in a \$1 million tax fraud scheme. As part of the guilty plea, Moody agreed to cooperate with the government.

The guilty plea stems from a massive tax fraud conspiracy whereby it is alleged that Joseph, the owner of Triad Business Services ("Triad"), a tax preparation service with offices in Washington, D.C., Baltimore, Maryland, and Richmond, Virginia, masterminded a scheme to obtain fraudulent refunds for hundreds of clients by falsifying itemized deductions and credits on the clients' U.S. Individual Income Tax Returns, Forms 1040. In total, it is alleged that Joseph and his co-conspirators attempted to impede the functions of the Internal Revenue Service by

filing false returns and to defraud the IRS of over \$1,000,000.00 through the filing of false returns. The fraudulent income tax returns contained inflated or fabricated itemized deductions such as charitable contributions, job expenses, and other miscellaneous expenses to which the taxpayers were not in fact entitled. False credits were also claimed for education and child care.

Joseph worked out of the D.C. office, which Stephens managed. Joseph and Stephens allegedly instructed the other managers, including Moody who managed the Baltimore office, to inflate or fabricate deductions and credits on the clients tax returns, thereby increasing the refunds the taxpayer/clients would receive, increasing Triad's fees, and increasing repeat customers who would return in successive years. All of the tax returns prepared at the Baltimore offices were reviewed by Joseph and Stephens and then electronically transmitted to the IRS.

Previously, Nicole Williams, of Brooklyn, New York, a co-conspirator who managed the Richmond, Virginia office, pleaded guilty to Aiding or Assisting the Preparation of a Fraudulent Return. She has agreed to cooperate with the government in the case against Joseph and Stephens.

Joseph's trial will be scheduled following his extradition to the United States. Stephens voluntarily surrendered, following her Indictment and is currently facing charges. The sentencing of the Moody will take place following the trial of Joseph and Stephens.

On June 23, 2006 Perry P. Biayeibo, a Nigerian citizen living in Hyattsville, Maryland, pled guilty to committing fraud against the federal credit union at the World Bank. Biayeibo pleaded guilty in U.S. District Court before Magistrate Judge John M. Facciola. The defendant was arrested on April 12, 2006, by Special Agents from the United States Secret Service pursuant to a warrant for the fraud. He is subject up to 30 years in prison on his plea when he is sentenced by United States District Judge Colleen Kollar-Kotelly later this year, although he probably will face a maximum of 14 months in prison under the federal sentencing guidelines. (District Court)

According to the statement of offense filed in this matter, which was agreed to by the defendant, the Bank-Fund Staff Federal Credit Union (hereinafter referred to as "BFSFCU") is located in Washington, D.C., and is federally insured. Between March 29 and April 3, 2006, three stolen checks totaling \$34,385 were deposited into the account of two BFSFCU members. The joint account belongs to two individuals, a mother and her son (the son is referred to here as "Individual #1"). The three stolen checks were courtesy checks issued to three different MBNA Bank credit card holders, none of whom were Biayeibo or the other relevant individuals discussed here and none of whom had given anyone permission to use the checks. Typically these checks are mailed to credit card holders to be used for whatever purpose the credit card holder desires. The three checks were returned to BFSFCU from MBNA Bank as they were listed as "stolen."

Once BFSFCU learned that the checks were stolen, it made contact with the United States Secret Service. The Secret Service contacted Individual #1 who admitted he had deposited the checks and thereafter withdrawn money from the resulting funds on behalf of a man later identified as Biayeibo in return for a percentage of the funds. Individual #1 met

Biayeibo through a co-worker of Individual #1 at a store in Rockville, Maryland (referred to here as "Individual #2). Individual #2 approached Individual #1 about cashing checks for a friend named "Pee" who was a Nigerian citizen who allegedly could not open a bank account in the United States. Individual #1 agreed to cash the checks in exchange for a percentage of the funds.

Thereafter, on three separate occasions, Individual #1 received stolen checks from Individual #2 or Biayeibo, which he deposited into his BFSFCU account at a branch in Maryland. Individual #1 withdrew money from these funds on the first two occasions from a BFSFCU office located in the 2100 block of Pennsylvania Ave, N.W., Washington, D.C., but was prevented from doing so on the third occasion because BFSFCU had learned by then that the checks were stolen. From the funds withdrawn, Individual #1 took his portion, and the rest went to Biayeibo, except \$500 went to Individual #2. Once the Secret Service was contacted by BFSFCU, it recorded a conversation between Individual #1 and Biayeibo when the two were seeking to withdraw funds from the third check. In the recorded conversation, Biayeibo admitted to writing the MBNA courtesy checks. The Secret Service also learned that, prior to the depositing of the three stolen checks, Biayeibo called MBNA Bank to check available credit limits on the accounts corresponding with the three convenience checks. Each of the three checks was written for an amount just slightly below the available credit limit for the respective account. The Secret Service's investigation of this fraud is ongoing as to the involvement of others.

On June 13, 2006 Charles Washington pleaded guilty to making a false statement on a Federal Emergency Management Agency "FEMA" application in order to obtain disaster relief from Hurricane Katrina. Washington, currently residing in Middle River, Maryland, pled guilty before United States District Judge Rosemary M. Collyer to the false statement charge. The false application allowed Washington to fraudulently obtain disaster funds to which he was not entitled. Washington faces a maximum of five years of imprisonment when he is sentenced on September 19, 2006. (District Court)

According to the evidence presented at the recent plea hearing, on September 16, 2005, Washington, who was residing in the District of Columbia at the time, made an application to FEMA for Hurricane Katrina disaster relief benefits. As part of the application, Washington falsely claimed that he rented and was living at a single family residence in New Orleans, Louisiana, during Hurricane Katrina, and that his home was damaged and that he lost personal property as a result of the Hurricane. Investigators learned that Washington did not live at the residence during the Hurricane and was not known to the owner of the residence, who had been living at the residence since 2004. Washington later told investigators that he had no fixed address during the Hurricane. As a result of Washington's false application, FEMA disbursed three checks to him totaling \$14,749. Washington cashed one of the checks, but it appears the other two checks were cashed by other individuals.

On June 16, 2006 Readie Van Smith was sentenced to 84 months of imprisonment for possessing a firearm after being convicted of a felony and possession of marijuana. Smith, 35, formerly of 1113 45th Street, NE, Washington, D.C., was sentenced before U.S. District Judge Richard J. Leon. The defendant was found guilty of the charges by a federal jury on March 23, 2006. (District Court)

The government's evidence at trial showed that on June 3, 2004, ICE agents went to 1113 45th Street, NE, to arrest Smith's former house mate on immigration charges. After arresting the house mate in his upstairs bedroom, the agents did a protective sweep of the remainder of the floor. In the closet of Smith's room, they found a pistol grip shotgun and an AR-15 semi-automatic assault rifle. After obtaining a search warrant, the agents also found a Star 9mm semi-automatic pistol in Smith's closet, along with ammunition for the shotgun and the AR-15 assault rifle.

At the time of the search, Smith had been sleeping on a couch next to the kitchen area of the home. Under a cushion of the couch was a .45 caliber semi-automatic pistol. In the kitchen area, the agents found an Intratec 9mm semi-automatic pistol and approximately two pounds of marijuana.

After his arrest, Smith waived his *Miranda* rights and made statements tying himself to the pistol grip shotgun and the AR-15 assault rifle in his closet.

On June 19, 2006 a former inspector for the District of Columbia Department of Transportation, Denard A. Smith, pled guilty to accepting cash in return for not shutting down an unpermitted work site and not writing a ticket for \$2,500. Smith, 33, of Washington, D.C., pleaded guilty in the United States District for the District of Columbia before the Honorable Henry H. Kennedy, Jr. to one felony count of demanding and accepting an illegal gratuity. When Smith is sentenced on September 6, 2006, he faces between 8 and 14 months of imprisonment under the Federal Sentencing Guidelines. (District Court)

According to the proffer of evidence presented to the Court, Smith was a public space inspector for the Office of Infrastructure Oversight in the District of Columbia Department of Transportation's Public Space Management Administration. That agency issues permits and enforces regulations applicable to space outside buildings and residences.

Smith's territory as a public space inspector included an area bounded by Second Street and Florida Avenue, NW, 14th Street and U Street, NW, and Spring Road and Water Street. As part of his job, Smith drove around in his territory in a government vehicle to ensure compliance with public space regulations.

On September 29, 2005, Smith demanded and accepted a gratuity of \$50 from an individual with a worksite located in the 1500 block of 5th Street, NW, in return for not shutting the worksite down and for not writing a ticket of \$2,500 for a violation of public space regulations. On a tape recorded conversation between Smith and the individual from whom he solicited and accepted the money, Smith used the term "lunch" as a euphemism for a gratuity:

"You know what I'm saying: when I said take me out to lunch, I can't say, well, 'give me some money, you know what I'm saying, I'm taking a bribe here.' You know what I'm saying? Because I don't know who you got on the phone or who you're talking to or who else."

On the tape recording, Smith also makes clear that this is not the first gratuity he demanded or received:

“[W]hen I said seafood, that should you—that should have kicked in. You know what I’m saying? I had another guy out here, man he—it was probably about maybe three months ago—he was digging * * *.

He was building another door down there so people can go down, you know, going out his basement * * *.

But he totally didn’t know he needed a permit * * *.

I said, ‘look man, just treat me to lunch, man, you know, stop the work, go get your permit. And you’re good to go.’ And he gave me \$200.00. He came back with \$200.00 and said, ‘here you go, man. Treat you and your girl, man, whatever you want to do. Here you go, man.’

Because, first of all, I saved him from \$2,500. You see what I’m saying? And then you keep from his project from getting put back 30 days. You see what I’m saying? He’s losing money if I do that. You lose money when I give you a stop-work order.”

Smith told authorities that, on fifteen to twenty occasions between the summer of 2005 and January of 2006, he accepted cash payments totaling \$4,000 as a public space inspector from individuals or entities in the District.